



CTTC year in review



FIGURES AT A GLANCE

In 2004, California tourism generated **\$82.5 billion** in direct travel spending, a 7.4 percent increase over 2003, and produced **\$5.2 billion** in direct state and local tax revenues.¹

During 2004, travel spending in California directly supported nearly **900,000 jobs**, up 2.5 percent from 2003 figures. Travel spending generated the greatest number of jobs in food service (**261,500**); arts, entertainment and recreation (**220,500**); and accommodations (**192,200**). On average, every **\$92,400** of travel spending supported one job in California.²

California hosted **48.6 million** out-of-state visitors and **8.4 million** international visitors in 2004, in addition to **265.7 million** person-trips taken within the state by California residents.³ California's top domestic markets are: Nevada, Arizona, Texas, Oregon, Washington and Utah. Principle international markets are: Mexico, Canada, United Kingdom, Japan, Germany, South Korea and Australia.³

1., 2. Dean Runyon Associates, 2005
3. D.K. Shifflet and Associates, 2005



Caroline Beteta,
CTTC Executive Director

Great News from the Capitol for the California Tourism Industry

August 2005

Governor Arnold Schwarzenegger signed the 2005-2006 fiscal year budget bill into law, which was overwhelmingly approved by the California Senate and Assembly, and restored \$7.3 million in public tourism marketing funds (Senate Bill 80) to the California Travel and Tourism Commission (CTTC) to promote California as a premier travel destination. The entire tourism industry expresses great appreciation to the Governor and the State Legislature for appropriating the necessary funds to keep this important revenue-generating industry going strong. For the past two years, the state's 5,500 assessed businesses have been the sole supporters of California's tourism marketing budget. No state funds were allocated to California Tourism during this two-year period, dropping the budget from \$14 million to \$6.9 million (the funds generated by assessed business revenues), ranking the state 30th in the country for state tourism office budgets. During this time, California was the only state in the country not to receive public tourism marketing funds.

Looking ahead, the CTTC moves into the future with new opportunities. The economy is rebounding and increases are

anticipated in direct travel spending. The CTTC continues to have superb leadership in the organization's Chair, Secretary Sunne Wright McPeak. And for the first time ever, in addition to the CTTC's spring/summer marketing and advertising efforts, there will be a major winter snow initiative, integrated with the brand campaign that leverages California's point of difference as a travel destination (our coveted lifestyle and attitude). This winter effort will promote California as a one-of-a-kind winter sports destination, and this additional coverage will help in maintaining California's status as the nation's number one travel destination. I look forward to the future of the CTTC and the continuation of promoting California as a premier travel destination.

"Looking ahead, the CTTC moves into the future with a myriad of new opportunities."

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highlights of the year



California Trade and Tourism Mission to Japan

The CTTC teamed up with Governor Schwarzenegger in November 2004 and promoted California tourism in Japan. More than 20 delegates representing California's top travel destinations, accommodations and attractions participated in the four-day trade and tourism mission. Over 400 Japanese tour operators, agriculture executives, tourism officials and media attended the Taste of California reception in Tokyo, which featured a celebrity chef cooking demonstration hosted by the Governor. An exciting California Rally at Roppongi Hills Arena also took place where over 3,000 consumers attended. Total tourism media exposure of the trade and tourism mission generated more than \$3.3 million nationally.



Tourism Industry Leaders Meet

Governor Schwarzenegger and Sunne Wright McPeak, CTTC Chair and Secretary, California Business, Transportation and Housing Agency,

met with 35 of California's top travel industry leaders at the California Tourism Leadership Forum in conjunction with the Americas Lodging Investment Summit (ALIS) in Los Angeles. This significant meeting was the catalyst that helped to restore the \$7.3 million in public funding to California Tourism. The Governor discussed long-term funding solutions and vowed to promote California. He challenged the industry to come forward with private funds until public funding could be restored.

California Ski/Snow Sports Campaign

As a direct result of the Governor's meeting with some of California's top travel industry leaders at the California Tourism Leadership Forum, the ski industry came through on their promises and an exciting new TV spot was produced in late spring. Increasing awareness of the California market, our diverse snow sport experience, and capitalizing on our unique California vibe and snow attributes are just some of the key advertising strategies. Look for the exciting launch of this TV commercial in fall 2005!

Exciting Southwest Airlines Partnership

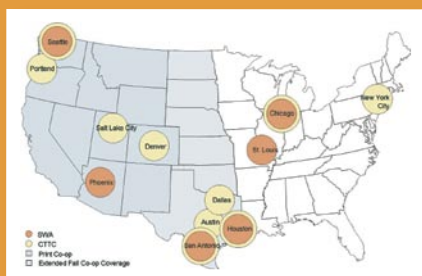
For the first time ever, the CTTC negotiated a major partnership with Southwest Airlines in 2005 with a fare promotion tagged onto the "Welcome to California" TV spot. By using a modified 22-second version of the spot, allowing

for an eight-second SWA tag, the four-month cooperative advertising campaign dramatically expanded market coverage of the CTTC brand. The spot ran February through May 2005 during the highly coveted National Basketball Association (NBA) and Major League Baseball (MLB) games. Through this leveraged co-op effort, the CTTC augmented its market coverage in cities such as New York, Chicago, St. Louis, Dallas, Houston, San Antonio, Phoenix and Seattle.



Fuji TV Coverage

Capitalizing on the success of the Governor's trade and tourism mission to Japan, Marketing Garden, the CTTC's new Japan representative, secured major TV network coverage of one of Japan's biggest stars, "Gorie" (pictured above on left), who was inaugurated as "Honorary Ambassador for California Tourism in Japan." A one-hour special about California and "Gorie" was broadcast nationally in Japan in June 2005 with an estimated media value of \$11.4 million. Additional programs aired during fall 2005. This program appeals to the trend-sensitive younger market segment, and is expected to reap over \$20 million in media exposure on network TV and in major print media.





The California Travel and Tourism Commission continued to create a variety of marketing programs during the 2004-2005 fiscal year. Our marketing objective is to increase leisure travel volume, market share and revenue to California by: **1** stimulating positive top-of-mind awareness of California as a premiere travel/vacation destination; **2** developing domestic and international markets that could bring new tourists and revenue to the state; and **3** persuading consumers to choose California as their vacation destination.

Domestic Advertising Strategy

The California Travel and Tourism Commission capitalized on an improved travel environment in 2004-2005, leveraging key assets and shifting market strategies to be more aggressive in achieving its objectives. The core communication strategy for the CTTC remains solidly focused on investing in and developing the California brand – helping consumers to understand and desire the unique California vacation experience. The key message, “When you vacation in California you get to live life like a Californian...be Californian” focuses the communication on what truly differentiates California from its competitors and what consumers desire and are most intrigued by: **our coveted lifestyle and our people.**

The program was anchored with its best weapon, the “Welcome to California” TV commercial through a highly targeted cable buy. The commercial, which was refreshed nearly every year with new scenes and celebrities, featured Governor Schwarzenegger, first lady Maria Shriver, Clint Eastwood, Wolfgang Puck and Jack Nicholson. Research indicated that the “Welcome to California” spot had the highest recall and likeability scores seen by SMARI (one of the CTTC’s travel research firms), making an unprecedented impact with consumers.

New in 2004-2005, the target audience was shifted to focus on affluent travelers. These travelers, representing 50 percent of California’s visitors and 63 percent of the nation’s wealth, on average take frequent trips, fly often, stay longer and spend more. To effectively reach enough of these travelers to increase share of travel, the CTTC dramatically expanded its market coverage. The new market list included the key volume markets in the West (such as Seattle, Portland, Denver and Salt Lake City), but also included markets with opportunity to grow the base of travelers (such as Dallas, New York and Chicago). Additional market coverage was achieved through the unprecedented partnership with Southwest Airlines (SWA), who ran the CTTC commercial (tagged with a SWA fare offer to California) in Chicago, St. Louis, Phoenix, San Antonio, Houston and Seattle. (See Highlights of the Year for more details).

Print Cooperative Inserts

To provide coverage in the winter months and encourage consumers to choose California as their first choice for fall/winter travel, CTTC used the power of cooperative advertising to develop an engaging advertorial that appeared in three magazines: the western states’ editions of *Travel+Leisure*, *Food and Wine* and *National*

Geographic Traveler reaching over 862,000 consumers. The insert highlighted California’s unique blend of environment and its youthful, laid-back attitude focusing the potential visitor on California’s diverse and popular array of activities. California’s travel industry partners were able to purchase ad space in the piece at favorable rates, helping to extend the budget and the overall impact of the communication.





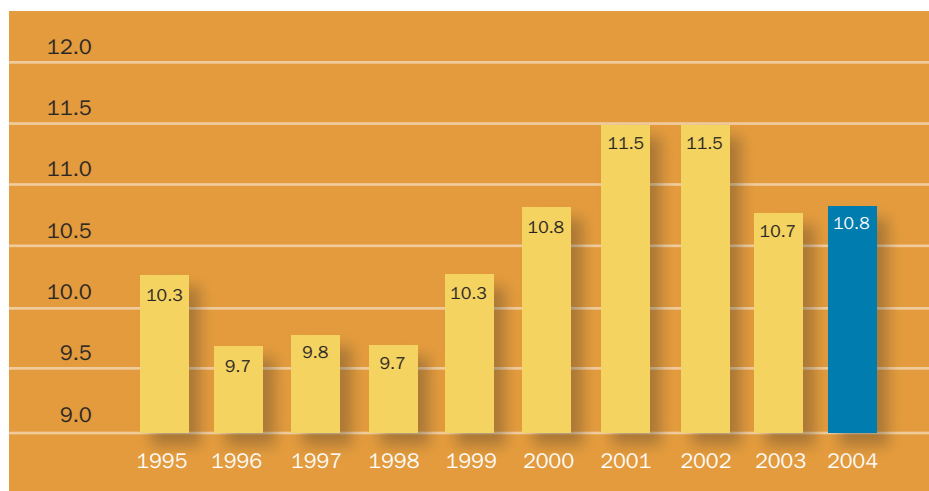
California Drives 2005

The new *California Drives 2005*, a 36-page, full-color publication that features 21 appealing excursions, was released in the late spring of 2005. The CTTC collaborated with Sunset Publications to produce this new issue with a total circulation of 1,000,000. A total of 500,000 driving guides were inserted into *Sunset* magazine's July 2005 issue for subscribers in California, Arizona and Nevada. Additional copies were distributed by California State Parks, Best Western, California Welcome Centers, as well as through CTTC fulfillment packets and bulk shipments. Driving itineraries are available online at www.visitcalifornia.com.



California Domestic Market Share

California percent of U.S. Person-Trips



Internet Advertising

To promote the new downloadable version of the *California Visitor's Guide*, CTTC implemented an online advertising buy, using a combination of banners and key word searches to drive consumers to the www.visitcalifornia.com Web site. The creative was promotional in nature — using a sweepstakes and other value-oriented messaging to drive interest and impact.

Latest Advertising Results

Through the years, the award-winning "California, Find Yourself Here" advertising campaign, including television, radio and print mediums, has generated a strong return-on-investment (ROI). In terms of ROI, the conservative measure of the immediate short-term/incremental impact of the domestic advertising campaign alone indicated that each \$1 in advertising generated \$4.35 in additional tax revenue for the state, and that the cumulative total of long-term influenced travel could be as high as \$19.46 in tax revenue for each \$1 of advertising expenditures (directly influenced¹ 4.9 million visitors, totaling \$1.99 billion in travel and tourism spending, and \$80.1 million in tax revenues — \$19.46 to \$1 ROI)².

Market Share

California market share increased in 2004 from 10.7 percent in 2003 to 10.8 percent, a modest upturn, but the first since 2001, and California domestic travel volume grew at a faster pace than the rest of the nation. California began to benefit in 2004 from an improved business climate, continued low air fares, traveler tolerance of rising gas prices and pent-up demand. Business travel showed the strongest gains, up 12.5 percent, while leisure increased 2.1 percent³.

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1. Influenced: Influenced travelers are those who recalled seeing at least one CTTC ad prior to travel to the state.

2. Strategic Marketing Research, Inc.

3. D.K. Shifflet & Associates, 2005.



Cooperative Marketing

Our main guiding principle is “Do for the industry what it can’t do for itself.” With the invaluable cooperative support of California’s travel industry partners, these innovative marketing programs reach nearly every visitor segment with a strong, compelling message to generate additional tourism business to California.



California Fun Spots

California Fun Spots, a co-op of six of California’s attractions, continues to promote theme park fun in California. The Web site, www.cafunspots.com, provides information for parents and fun for kids. It features downloadable coupons, events, insider’s tips, live cameras from the parks, games, activities and a direct link to each of the member parks. California Fun Spots is also featured in *California Drives 2005* with a tear-out card including park discounts to all six attractions. Participants are LEGOLAND® California, Monterey Bay Aquarium, San Diego Zoo, San Diego Zoo’s Wild Animal Park, SeaWorld Adventure Park San Diego and Universal Studios Hollywood.

Shop California

The www.shopcalifornia.org Web site provides a guide to help navigate through California’s varied shopping destinations,



including world-class shopping centers, name-brand boutiques, outlet malls, outdoor marketplaces, specialty shops, and more. A value-added offer includes a downloadable voucher from the Web site to receive savings and incentives at participating locations. California recently launched a partnership with the Shop America Alliance that will increase exposure for all Shop California members, making them eligible for individual memberships with Shop America at substantial discounts and Shop America Tours Packages promoted and sold on the www.shopcalifornia.org Web site.

Culture California

The California Cultural Tourism Coalition (CCTC) focuses on the cultural destinations that make up California’s rich tapestry of diversity. The goal of the CCTC is to expand the awareness of the many travel opportunities available in California celebrating arts and heritage. This year the California Cultural and Heritage Tourism Council was formed and it was designed to cooperatively expand opportunities for cultural and heritage tourism in California. Free cultural event listings throughout the state are posted at www.culturecalifornia.com.

California Snow

The CTTC, in cooperation with the state’s ski resorts and winter recreation facilities, supported *California Snow*, which promotes California as a premiere winter recreation



destination. Program elements include: www.californiasnow.com Web site, annual brochure *California Snow*, trade show attendance, tour operator and consumer promotions, advertising, and other special programs designed to increase visibility and attendance of the California winter resorts. The CTTC, in partnership with the California Ski Industry Association, distributed 50,000 copies of *California Snow* through its fulfillment program.

California Golf

In its third year, the California Golf marketing program continued to make great strides in branding the state as a golf destination, both domestically and internationally. The Golf Channel UK and the Travel Channel in Europe have both renewed their agreements to repeat the “California Golf” television series. Continuing its partnership with the California Golf Course Owners Association (CGCOA), California Golf was able to attend key golf trade and consumer exhibitions. A new partnership with *Smart Meetings* magazine promoted the state’s golf facilities to 30,000 meeting planners in the western United States. The program’s Web site, www.californiagolf.com, provides a full range of golf and travel packages and a customized golf itinerary planning service.

“Offer Wizard”

Travel industry partners were encouraged to get involved in the “California, Find Yourself Here” campaign by taking advantage of the free online “Offer Wizard,” available on www.visitcalifornia.com and www.bestofcaliforniatv.com. California businesses submitted great discount offers at attractions, shops, restaurants, transportation providers and hotels to “Offer Wizard.”



“The Best of California” (TBOC)

Television Series and Web Site

“The Best of California” (TBOC) ran select encore screenings during the summer months through September 2004. Viewers were directed to the interactive www.bestofcaliforniatv.com Web site, which continues to provide additional details on travel products, streaming video, special deals and downloadable coupons via the “Offer Wizard.” Total visitor sessions for 2004–2005 fiscal year were over 232,000.

“Adventures in Wild

California” IMAX Film

“Adventures in Wild California” continued to play in more than a dozen international and domestic theaters in 2004, bringing the cumulative total to over 75 cities on five continents with 10 billion gross impressions of California. Currently playing in Mexico, the film has been distributed in DVD and VHS formats.

Airline Partnerships



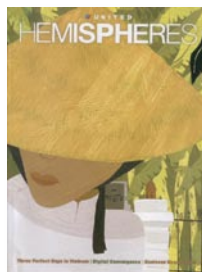
• Southwest Airlines Promotion

To kick-off the summer travel season, the CTTC and Southwest Airlines (SWA) teamed up to throw an all-day “California-style” party in the sky in May 2005. As customers waited to board their flights in each city, CTTC and SWA employees played gate games and handed out prizes from various California destinations. Model builders from LEGOLAND® California engaged the waiting customers in some fun activities, and in-flight passengers were joined by special friends from SeaWorld. Great prize giveaways were awarded to

many passengers onboard as well. The California One plane, promoting tourism to California, flew from San Diego to Phoenix, Salt Lake City, Portland and Sacramento.

• United Airlines Partnership

In January 2005, United Airlines launched the programming of the “California Golf” television series on its 22 daily U.S. flights to and from London’s Heathrow Airport. Approximately 900,000 passenger views and a purchase value of nearly



\$300,000 are projected. The number of requests from the international golf travelers has already increased since the launch of the programming.

Communications: Media Relations

Media Relations Results

The CTTC continued to create exciting events and distribute newsworthy materials to the media. With the help of Edelman public relations firm and Governor Schwarzenegger’s strong support for the tourism industry, the CTTC generated \$8,319,476 worth of domestic coverage for California and \$38,931,158 worth of media coverage worldwide.

Numbers within the media relations section on pages 6-7 are derived from PRtrak, the leading aggregator of “output measurement metrics” in the public relations industry, with broadcast, print and Internet data provided by: Arbitron, Nielsen, SRDS, SQAD, comScore Media Metrix, Burrelle’s Information Services and American Newspaper Publishers.

Los Angeles Media Reception and Marketplace

The Walt Disney Concert Hall was the setting for the CTTC’s first ever in-state media reception and marketplace. A contingency of more than 60 top Southern California-based media and 55 California delegates representing 40 businesses

throughout the state made their way to Los Angeles in December 2004 to discuss what was new in California.



Comissioner Rita Vandergaw, Port of San Diego, and Robert Arends, San Diego CVB, attend the New York media event.

New York Media Reception and Marketplace

The CTTC conducted a media reception and marketplace in New York City in February 2005. Forty-four California delegates representing 35 California destinations, accommodations, attractions and businesses met with more than 100 key New York consumer and travel trade journalists, including: *Budget Travel*, *Business Traveler*, *CEO Traveler*, *Condé Nast Traveler*, *For the Bride*, *National Geographic Adventure*, *New York Daily*, *Town & Country*, *Travel + Leisure*, *Travel Savvy*, *Wine & Spirits*, *Wine Spectator*, and others. Story ideas were pitched to generate positive print and broadcast coverage, with the goal of increasing visitation to California.



Karen Whitaker, Shasta Cascade Wonderland Association and Bob Warren, City of Redding at the Los Angeles Media Reception and Marketplace.



News Releases and

What's New In California

Twenty-five news releases and media advisories were distributed to the travel media featuring various California themes, CTTC programs, publications, promotions and research findings. The CTTC also developed four issues of *What's New in California*, a major round-up release about new developments in California tourism, with each issue sent to nearly 3,000 national and international writers, editors and broadcasters. With the summer 2005 issue, the publication was re-designed into a two-color piece. Foreign language versions of *What's New in California* were also published and distributed.

Media Survey

CTTC surveyed 180 national travel writers in June 2005 to evaluate the newsworthiness and usefulness of its monthly news bureau program. The feedback was very positive, and the CTTC has incorporated suggestions into the media relations program to further meet media needs.

CD Press Kit

Debuting in December 2004, the CD press kit contains *What's New in California*, an archive of press releases, California facts and statistics, the digital version of the *2005 Official California State Visitor's Guide*, current industry publications and other news appropriate for the media.



The press kit CD is also packaged with the CTTC's image library. The same information is still available in the traditional, hardcopy press kit.

Ongoing Activities

The CTTC responded directly to nearly 900 inquiries and fielded hundreds of media inquiries at numerous trade shows and conferences, including: JATA (Japan); World Travel Market (United Kingdom); Japan Trade and Tourism Mission (Japan); California/Las Vegas/Arizona Sales Mission (Mexico); California Travel Market (Sacramento and South Lake Tahoe); ITB (Germany); California Conference on Tourism (Hollywood); TIA International Pow Wow (New York); Outdoor Writers Association of California Spring Conference (Sonoma County); and TIA See America Week UK (London). Several press trips were coordinated by CTTC throughout the state for travel journalists, photographers, filmmakers and broadcasters from Australia, Belgium, Denmark, France, Germany, Japan, Norway, Sweden, the United Kingdom and the United States. The Web site, www.visitcalifornia.com, was maintained "press friendly" with the availability of a Press Room section. The Press Room received 163,513 page visits, which was almost seven times more than the previous fiscal year.

Overseas Public Relations Results

Marketing Services International's (MSI's) efforts in Germany, Austria and Switzerland resulted in publicity with an ad equivalency value of \$9,116,743. The office fielded 823 California related press inquiries. Ko Marketing's media efforts in Japan resulted in \$1,040,338. The office fielded 80 press inquiries from July – February 2004. From March 2005 – June 2005, Marketing Garden, the CTTC's new Japan public relations representative, was responsible for \$15,900,000 in California coverage, and the office made 106 press contacts on behalf of California. McCluskey International in the United Kingdom reported 728 contacts with a total publicity value of \$12,874,077.

Contacts and Leads

July 2004 – June 2005

E-mails to California Tourism, calls to 800#, and informational packets ordered online
158,145

Informational packets sent to visitors
140,037

Informational calls to California Tourism and Assessment Team
10,913

International trade and consumer contacts
25,188

Research Web site visits
10,063

Direct media relations inquiries
2,595

California Welcome Center visitors (walk-ins)
1,062,402

Web site hits
87,772,348

Web site visitor sessions
3,776,804



Communications: Travel Industry Outreach

Insights

Insights, a 16-page, four-color newsletter, informs California travel and tourism businesses how to take greater advantage of the CTTC's services and marketing programs. Two issues of the publication — fall 2004 and combination winter 2004/spring 2005, were distributed to approximately 12,250 organizations and individuals, including all 5,500 assessed businesses.

CTTC Year in Review

Distributed to California travel-related businesses at the end of the fiscal year, *CTTC Year in Review* recaps all of the marketing activities, advertising programs and other CTTC programs that took place during the fiscal year.

CTTC Newsletter

The CTTC publishes a bi-monthly newsletter that informs assessed businesses and travel industry partners about new and ongoing marketing activities and other partnership opportunities. This fiscal year the newsletter was converted into an electronic version and was also e-mailed to interested parties.

CTTC Regional Marketing Representatives

CTTC regional marketing representatives met with over 2,900 businesses and travel industry colleagues throughout the state. The goal of the program is to spread the word about the extensive CTTC marketing and cooperative programs available.

Speeches and Conferences

CTTC staff delivered presentations at over 90 travel industry meetings, events and conferences as well as many one-on-one small group meetings throughout the state. Presentations were given at the Western Lodging Show, Rural Tourism Conference, California Attractions and Parks Association, California Tourism Leadership Summit, California Travel Market, Central Coast Tourism Council, California Conference on Tourism, Cultural and Heritage Tourism Symposium, SMG Lake Tahoe Tourism Conference and Cal Poly Pomona — just to name a few.

Visitor Information

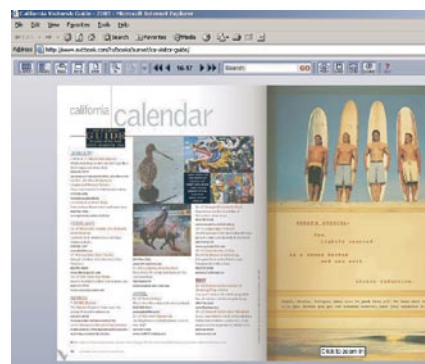
The CTTC produced a variety of trade and consumer publications to encourage and assist travelers who were making plans to visit California. More than 135,000 informational packets were sent from California Tourism's fulfillment house.

California 2005 Official State Visitor's Guide and Travel Planner (CVG)

The CVG, with its fresh editorial format, regional maps, photography and thousands of listings, is the CTTC's flagship visitor



publication. The 2005 edition's cover commemorated the 50th anniversary of the Disneyland Resort in Anaheim. Special features include a two-page spread of selected California events, a sunshine index for each of California's 12 regions and discount coupons. The CVG makes getting around California easier with a state map and regional maps, and listings for rental cars, local airports and public transportation. The CVG has a circulation of 400,000 copies and is distributed worldwide.



Digital Version of California 2005 Official State Visitor's Guide and Travel Planner (DCVG)

Through NXTbook Media, Sunset Publications provided a digital version of the *California Visitor's Guide* that is currently linked to www.visitcalifornia.com. Consumers can now see the entire publication with easy instructions to help navigate through the guide. Thumbnail views of every page and a

contents dropdown menu allows for quick navigation of the publication. In the first five months, the digital *California Visitor's Guide* was viewed by 47,000 visitors from 110 countries, with 1,555,000 page views.



Newsstand Edition of *California 2005 Official State Visitor's Guide and Travel Planner (NCVG)*

As a new distribution model and in an effort to reduce fulfillment costs, Sunset Publications produced 100,000 copies of a newsstand version of the *California Visitor's Guide*. The newsstand version is the same editorially, but with a different cover including the Sunset logo. Distribution included 13 western states in 12,000 retail stores including Barnes & Noble, Safeway and Vons as well as other major supermarkets, and sells for \$2.99. All revenues from newsstand sales will go back into distribution and promotion of the guide.

California 2005 Official State Map

California 2005 Official State Map makes traveling around California much easier. With a total circulation of one million, 500,000 copies are bound into the *California Visitor's Guide* (including the newsstand version).

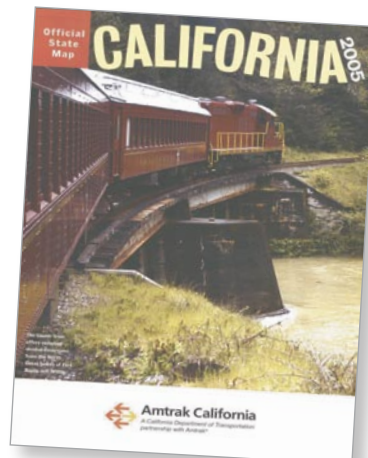
E-mail Blast

Through Sunset Publications and USA-800, CTTC coordinated an e-mail blast to consumers who had ordered the *2004 California Visitor's Guide*. The e-mail blast promoted the *2005 California Visitor's Guide* and its new digital version. Requests for the guide rose from 364 a day to more than 1,700 per day during this time period.



CTTC's Web Site

Activity on www.visitcalifornia.com remained strong with a total of 3.8 million visitor sessions and 1.2 million unique visitors in the 2004-2005 fiscal year. The Web site also averaged 7.3 million hits per month, with an average visitor session of 10 minutes and 35 seconds.



www.VisitCaliforniaStore.com

Internet travelers purchased California-themed merchandise at CTTC's new online store, www.visitcaliforniastore.com. In partnership with the California Welcome Centers (CWCs), the site offers the same California-themed merchandise sold at individual centers, including T-shirts, teddy bears, coffee mugs, canvas tote bags, key chains, books and baseball caps.

California Welcome Centers (CWCs)

The California Welcome Centers help the consumer with all aspects of traveling around California. In the 2004-2005 fiscal year, CWCs assisted more than one million walk-in visitors. Strategically located across the state, the 10 California Welcome Centers can be found in: Anderson, Arcata, Auburn, Barstow, Merced, Oceanside, San Francisco, Santa Ana, Santa Rosa and Yucca Valley. Businesses and destinations can advertise on state-of-the-art, 42-inch plasma screens located in select Welcome Centers throughout the state.



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Travel Trade Development

Overview

The CTTC carried out an aggressive domestic and international trade marketing program by attending various travel trade and consumer exhibitions, conducting sales calls, building tourism and non-tourism partnerships, coordinating educational programs, organizing familiarization trips, and more. Numerous trade, press and promotional activities were coordinated for the key markets of Australia, Canada, Germany, Japan, Mexico and the United Kingdom, as well as secondary markets such as Brazil, France, Ireland, Scandinavia and Spain.

Domestic

The CTTC continued to focus on the group travel market, maintaining membership in, and attending exhibitions of the National Tour Association (NTA) and the American Bus Association (ABA). The CTTC also played a supportive role in Sacramento's hosting of the NTA Spring Meet, a business marketplace that attracted up to 300 group travel buyers from the United States and Canada.

International

The CTTC trade offices in Australia, Germany, Japan and the United Kingdom played the lead role in maintaining California's presence overseas. In addition to day-to-day representation including sales calls, agent training and product development, the offices organized a variety of special events and activities. In the 2004–2005 fiscal year, cumulatively all trade overseas offices responded to more than 25,000 consumer and trade requests for California travel information.

Australia

Integra Tourism Marketing, the CTTC's trade representative in Australia, coordinated a trade mission to Australia for partners with the support of United Airlines

and Walt Disney Parks and Resorts. Other activities included the recruitment of one third of all agents attending Anaheim TAG Days 2004; securing the Anaheim prize for the Australian version of "Price is Right" TV show; and assisting with the celebration of Disney's 50th anniversary in Australia. The office also attended Visit USA Exhibitions in Australia and New Zealand.

Germany

Marketing Services International (MSI) organized the annual Counter Trophy Program with the key trade publication *FVW* and developed a food and wine promotion with the Frankfurt Hilton Hotel. The office also assisted with a consumer promotion around the film "Sideways" in wine retail shops and developed packages with Canusa, one of the largest outbound tour operators in the market. MSI coordinated California's presence at ITB in Berlin.

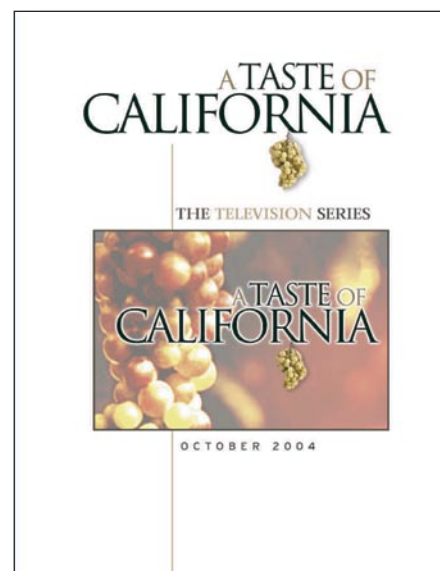
Japan

Marketing Garden took over as the CTTC's Japan contractor in March 2005. The office assisted with follow-up to tour operators from the November 2004 Japan Trade and Tourism Mission, developed new itineraries, provided training and sales calls, and updated the Japanese Web site www.visitcalifornia.jp.

United Kingdom

McCluskey International recruited advertisers' support for the 2004 *United Kingdom Visitors Guide*, developed several consumer promotions around the

film "Sideways," organized California's presence at World Travel Market, and coordinated the annual film event for top trade and media members in the United Kingdom. The California Games, a unique training program utilizing an Olympic- and California-themed event to teach staff how to sell the state, was also created. The office was nominated by the UK trade for The Best Tourist Board for 2004-2005.

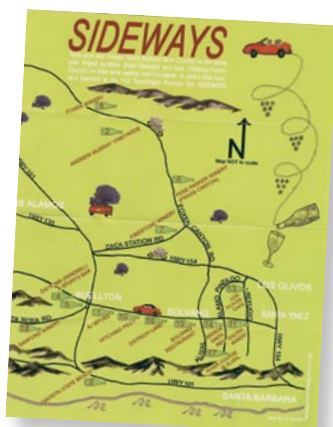


"A Taste of California"

"A Taste of California" television series, the CTTC's newest television production, is a 13-episode series that highlights wineries, agriculture, restaurants, spas and other tourism-related venues. The series was filmed in April and May and began airing in September 2005 on the Travel Channel in Europe. "A Taste of California" is expected to reach approximately 75 million households over a three-year period.

International Market Training

As part of California's membership in the Western States Tourism Policy Council and stemming from a grant from the U.S. Department of Commerce, the CTTC continued its efforts to educate the California travel industry on the value of international marketing.



International Consumer Promotions

Several significant consumer promotions were completed by the CTTC in Canada, Germany, Japan and the United Kingdom with high profile tourism and non-tourism partners. These promotions included: the Jelly Belly Candy Company released a new product in partnership with the CTTC; the film "Sideways" provided a beneficial platform to promote California with Fox Searchlight Films, wine retailers and magazines; a unique partnership between Sunkist and Kleenex created a national program in Canada with 2,500 grocery stores and one million bags of oranges; MasterCard/American Airlines touted California packages across Western Europe; and Budweiser in the United Kingdom promoted the California brand through several online magazine partners and *The Sun* newspaper.

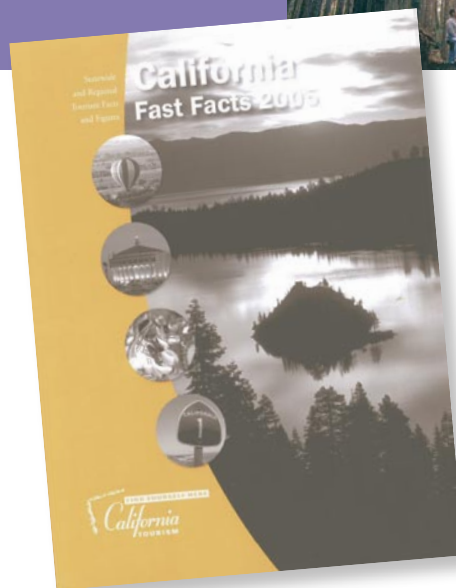


Research

The CTTC contracts with nationally recognized research firms to obtain objective, valid, and reliable documentation of the economic impact of travel spending in California, visitor volume and demographics, market share, and the return-on-investment (ROI) of key CTTC marketing activities.

California Travel Research Bulletin

Monthly bulletins with the latest travel-related research and statistics are sent to subscribers at no charge via e-mail and are posted on the CTTC's www.visitcalifornia.com Web site. Bulletins include links to just-released data on leisure, hospitality, and recreation-related topics, ad trends, topline findings, upcoming research projects and conferences.



Research Publications

Statistics on economic impacts, visitor volume, market share, and domestic and international traveler demographics and trip characteristics were published in hardcopy and are also available online in the Travel Industry/Research & Statistics section of www.visitcalifornia.com. *California Fast Facts 2005* is a comprehensive, easy-to-read, 22-page publication containing key statewide and regional travel and tourism statistics.

Research Assistance

The research office provides information to destination marketing organizations, assessed businesses, local, state and national governments, news reporters, investors, tourism developers, economic development organizations, marketers and students as a resource for travel and leisure-related data.

Evaluation Studies

As in past years when major program evaluation studies were not scheduled, the 2004-2005 fiscal year was an opportunity to explore and compare methodologies used by other states and destinations to improve the quality and validity of future studies. At California's initiative, a group of state travel researchers began the task of articulating the "generally accepted accountability measures" and best practices in designing and interpreting conversion studies, advertising effectiveness studies, Web site surveys and other kinds of performance evaluation. Because of the growing preponderance of travelers who visit

California Fast Facts 2005 is a comprehensive, easy-to-read, 22-page publication containing key statewide and regional travel and tourism statistics.

destination Web sites when planning their trips, the CTTC expanded its capacity to monitor Web site use and effectiveness. Reports comparing www.visitcalifornia.com with 13 other states are now received quarterly.



California Tourism Online

In addition to the main CTTC Web site at www.visitcalifornia.com, one of the most visited destination sites in the world, these cooperative program sites were also created with direct links:

www.bestofcaliforniatv.com
www.cafunspots.com
www.californiagolf.com
www.californiarecreation.com
www.culturecalifornia.com
www.dinecalifornia.org
www.shopcalifornia.org
www.visitcaliforniastore.com
www.visitcwc.com
www.visitcaliforniasnow.com
(Coming October 2005)



California Travel and Tourism Commission (CTTC)

The 37-member CTTC is comprised of individuals from all 12 regions of California. Members represent four principal industry sectors: Accommodations; Restaurants and Retail; Attractions and Recreation; and Transportation and Travel Services. Twenty-four of the commissioners are elected by the approximately 5,500 assessed California businesses; 12 are appointed by the governor; and the 37th is the California Business, Transportation and Housing Agency Secretary, who also serves as the CTTC Chair. The Commission meets three times a year to direct the CTTC's programs and activities. As well, a 29-member statewide Marketing Advisory Committee provides input in developing the marketing plan.

Chair

Sunne Wright McPeak, Secretary,
California Business, Transportation and Housing Agency

Governor-Appointed Commissioners by Region

Central Coast, Ted Balestreri, Cannery Row Company

Central Valley, David Blasko, Six Flags Theme Park,
Marine World

Gold Country, John Dunlap III

Deserts, Mike Fife

Los Angeles County, Tadao Fujiwara, M.D.

San Francisco Bay Area, Jack Gribbon,
Hotel Employees and Restaurant Employees
International Union

San Diego County, Charles Hansen, Viejas Enterprises

Shasta Cascade, John Koeberer, California Parks
Company

Orange County, Vacancy

High Sierra, Vacancy

North Coast, Vacancy

Inland Empire, Vacancy

Elected Commissioners by Industry

Accommodations

Jim Abrams, California Hotel and Lodging Association
Rick Anderson, Casa Tropicana

CTTC Vice Chair – Claire Bilby, Walt Disney Parks
and Resorts

Timothy J. Bridwell, Fess Parker's Doubletree Resort

Mark Erskine, San Diego Marriott Hotel and Marina

Michael Gelfand, Terra Vista Management

Jon S. Handlery, Handlery Union Square Hotel

Charles Hays, Far Horizons 49er Village Resort

Rick Lawrance, California Lodging Industry Association

Reggie McDowell, Interstate Hotels/Meristar

Cormac O'Modhrain, Hilton Waterfront Beach Resort

J.P. Patel, Best Western Colony Inn

Reint Reinders, San Diego Convention and
Visitors Bureau

Terry Westrope, Sterling Hotels

Vacancy

Vacancy

Restaurants and Retail

CTTC Vice Chair – Ted Burke, Shadowbrook Restaurant

Tom Voltin, SAKS Fifth Avenue

Bill Dombrowski, California Retailers Association

Attractions and Recreation

Bob Roberts, California Ski Industry Association

Don Skeoch, Universal Studios Hollywood

Transportation and Travel Services

Rita Vandergaw, Port of San Diego

CTTC Chief Financial Officer – Terry MacRae,

Hornblower Cruises & Events

Diana Meinhold, Automobile Club of Southern CA (AAA)

CTTC Year in Review

State of California

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Sunne Wright McPeak, Secretary,
California Business, Transportation and Housing
Agency Chair, CTTC

CTTC

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Communications

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Year in Review Editor

Leona Reed, Media Relations Manager,
Year in Review Assistant Editor

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